Fig. in Nos.

| District | 1996-97 | 1997-98 | 1998-99 |
|---|---|---|---|
| Lakhimpur | 721 | 2462 | 2571 |

**Annual LPG Consumption in Himachal Pradesh**

867. SHRI ANIL SHARMA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have made any assessment of annual LPG consumption in Himachal Pradesh;.

(b) if so, the estimated quantity of LPG required for domestic and commercial use separately in the State during the current year; and

(c) by when, this requirement is likely to be fulfilled by Government?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) and (b) The estimated demand of LPG in Himachal Pradesh for the current year (1999-2000) for the domestic and commercial use is 53.7 TMT and 2.58 TMT respectively.

(c) The LPG demand of the existing customers in the State is being met by and large in full.

**Report of Nitish Sengupta Committee**

868. DR. GOPALRAO VITHALRAO PATIL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Nitish Sengupta panel for Petroleum sector had submitted its Report to Government;

(b) if so, the highlights of the Report;

(c) how many recommendations are accepted by Government; and

(d) the reasons of non-acceptance of remaining recommendations (Recommendations-wise)?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) and (b) Yes, Sir. The main recommendations of the committee are given in the Statement. *(See* below).

(c) and (d) The recommendations of Nitish Sengupta Committee are under examination.

**Statement**

*Recommendations of Dr. Nitish Sengupta Committee Report*

On the basis of detailed study and assessment of various key success factors, the Committee has evaluated and assessed the position of IBP, CRL, MRL, BRPL and NRL. The Committee has also carefully considered the likely status of BPC in the context of a completely deregulated scenario.

Taking into consideration the evaluation and assessment carried out by the Committee, the following recommendations have been made so as to ensure that all stand-alone oil companies become stronger in the deregulated market and also to create a fair and competitive market for enhancement of customer services:

(a) BPC should buy up the entire shareholding of Govt. of India in CRL and make CRL its subsidiary. The marketing arrangement, if any, with IOC should accordingly be modified.

(b) Though at present IOC is a strong candidate for an alliance with MRL, the Committee recommends that for the time being the marketing arrangement of MRL with IOC should continue. Since, IOC is already a dominant player and as it is necessary to ensure fair competition, the Committee suggests that BPC be also considered in the intermediate future as a serious candidate alongwith IOC to partner MRL. However, this should be done after about 18—24 months to allow BPC sufficient time to stabilise after its takeover of CRL and the demonstration of its ability to do so without affecting the supply line and its recommended investment in IBP.

(c) IOC should buy up the entire shareholding of Govt of India in BRPL and make this company its subsidiary.

(d) NRL should continue with BPC and IBP who are the majority shareholders along with Government of Assam. However, the Committee recommends that OIL should be roped in as a shareholder with 10% share, which can be allotted to them on preferential allotment basis out of the shares earmarked for public issue thereby creating an integrated oil net work in the North East. This process will also enhance the sentiment of the prospective investors in the capital market for purposes of its ensuing public issue.

(e) The Committee recommends that IBP should continue as a separate corporate entity for the time being. However, it feels that IBP needs a strong strategic partner for continued supply of products and also providing marketing back up and necessary financial support.

Accordingly, it endorses the views of the Disinvestment Commission that Government of India should disinvest 33.58% in favour of **a** strategic partner. After careful study and consideration at various strategic alliance options, based on various success factors, the Committee feels that BPC is a strong candidate in comparison to other oil companies. Therefore, Government of India should disinvest its shareholdings in IBP in excess of 26% in favour of BPC as permissible under the SEBI take over guidelines. If these guidelines stand in the way of one shot of acquisition of this block of shareholding by BPC, this may have to be done in phases or a portion of the shareholding now held by financial institutions may have to be transferred to BPC.

(f) IBP should be assured of the required products from Mathura and/or Panipat in the North and MRL and CRL in the South through appropriate marketing tie-ups for a period of at least five years after the end of APM period in order to maintain its supplies.

(g) Government of India should constitute a petroleum regulatory body in lieu of OCC, who should regulate the

supply of products besides handing critical issues during the transition period of deregulation.

(h) All the existing pipelines excluding strategic pipelines owned by IOC should be transferred to an independent company such as the Petronet India Limited so that all the marketing companies get fair and equitable access to these pipelines for movement of products.

(i) After implementation of the recommendation, the Committee has identified that there will be three market players, *e.g.,* IOC, HPC and BPC-IBP. It feels that at a later date, the possibility of a combination of HPC, BPC-IBP, CRL, MRL, and NRL should be explored through an umbrella of a holding company. This new entity will be equal in size to IOC and would not only provide good competition but could also emerge as a global player in competition with the international oil majors.

**Hydro-Carbon Deposits in Tamil Nadu and Pondicherry**

869. SHRI P. SOUNDARARAJAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the hydro-carbon deposites in Tamil Nadu and Pondicherry have been mapped;

(b) if so, the details thereof;

(c) the regions where drilling is in progress; and

(d) the quantum of crude oil and natural gas being obtained in these States now?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) and (b) As on 1.1.2000, twenty four oil and gas finds have been established in Tamil Nadu onshore of which seven are oil bearing, ten are oil and gas bearing and seven are gas bearing. No hydrocarbon deposits have been found in the Union Territory of the Pondicherry onshore.

(c) Currently, drilling is in progress at Kizhvalur, Nidur,